MINEMAKERS
AUSTRALIA PTY LTD
ABN 18 081 911 917

Combined annual report on EL9979, SEL26451, SEL26452, EL26583, EL26584, EL26585, EL26586, EL26589 and EL26588

WONARAH PHOSPHATE PROJECT

ANNUAL REPORT TO 8 JANUARY 2009

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ABSTRACT

Minemakers Australia Pty Ltd (MAPL) has rapidly advanced the Wonarah Phosphate deposit towards mine development. During the year Minemakers has increased the Wonarah Main Zone resource from 72Mt @ 23% P_2O_5 to 330Mt at 18.9% P_2O_5 and established a new shallow resource at the nearby Arruwurra prospect of 131 Mt at 18.7% P_2O_5.

Additionally, sub-areas of high grade mineralization or Direct Shipping Ore (DSO) grade have been identified. DSO grade material has the potential to be extracted and marketed with minimal or low beneficiation. The development focus at the end of 2008 and through 2009 is to delineate DSO pits and move quickly towards production.

During 2008, MAPL drilled 220 RC holes for 10500 metres for resource definition and 40 diamond cored holes for 1990 metres to provide samples for metallurgical and marketing purposes. Approximately 5000 metres were assayed. A scoping study was implemented which included environmental base-line monitoring, metallurgy, petrology, transport and mine infrastructure planning.

MAPL is aiming to have the Wonarah Phosphate Project in production before the end of the next reporting period

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1. INTRODUCTION

1.1 Location, accessibility, climate and topography

The project is located in the Barkly region of the eastern Northern Territory, approximately 240 km east of Tennant Creek. The nearest town is Camooweal in western Queensland, approximately 180 km to the east.

Figure 1: Location map of tenure

Access to the property is via the Barkly Highway, the main paved freight link between Queensland and the Northern Territory, which runs along the northern boundary of SEL26452. Access within the tenement is via a network of dozed tracks suitable for 4wd only.

The topography relief is very gentle with elevation ranging from about 250m at Arruwurra in the south-west part of the tenement to about 300m above sea level at the Main Zone in the north-eastern part of the tenement. The area is semi-desert with generally sparse tree and shrub cover.

1.2 Tenure

Minemakers Australia Pty Ltd (ABN 18 081 911 917), “MAPL”, is the registered holder of Miners Right # 556124. MAPL is 100% holder of Substitute Exploration Licence (SEL)26452 in accordance with the NT Mining Act & Regulations. SEL26452 was granted by the Minister for Mines on 9 January 2008 for a renewable term of 4 years. The Licence is granted with the expectation that MAPL will diligently explore for minerals in accordance with Sec 27 of the Act, and the Conditions therein. MAPL must meet a minimum expenditure commitment in the first year of $60,000, pay a first year prescribed rental of $3,040 and lodge a Security of $5,000. MAPL must submit an annual technical report pursuant to Sec 32 and 34 of the Mining Act. SEL26452 is located on NT Freehold Land (NT Portions 03747-03756) owned by the Arruwurra Aboriginal Corporation. ATC’s NT Portion 1413 is excluded from SEL26452.

SEL26452 is subject to a confidential Deed For Exploration between MAPL, the Central Land Council (CLC) and the Arruwurra Aboriginal Corporation.

Work programs for exploration activities have been authorised by the Dept of Primary Industries, Fisheries & Mines (Mining Management Plan) : Wonarah Project Authorisation 0413-01, 20/2/08; Amendment 17/6/08; Amendment 3/12/08.

MAPL has obtained sacred site clearances through the CLC : Sacred Site Clearance Certificate – C2008-008, 26/3/08. Sacred Site Clearance Certificate – C2008-087, 18/11/08; Amendment 20/11/08; Amendment 26/11/08.

2. REGIONAL AND LOCAL GEOLOGY

2.1 Deposit style and model

Minemakers Australia is seeking to develop a large sedimentary phosphate deposit within the Georgina Basin. The Georgina Basin is an extensive late Proterozoic to early Palaeozoic basin that extends from northwestern Queensland through much of the eastern Northern Territory area and which hosts several large sedimentary phosphate deposits.

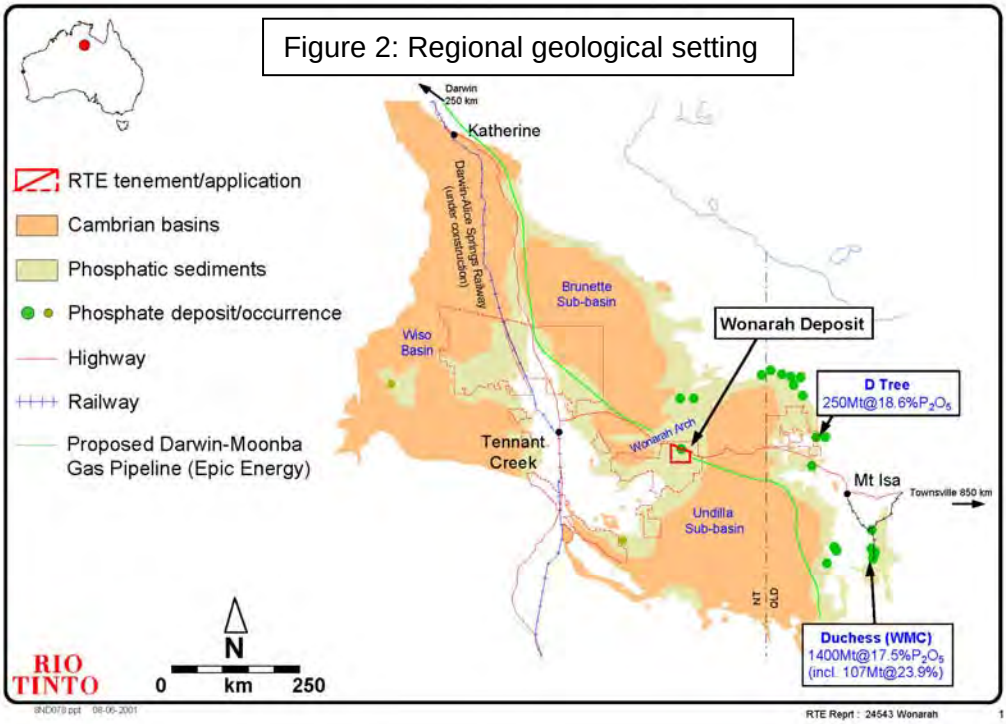

Figure 2: Regional geological setting of the Georgina Basin phosphorite sequences (from Lilley and Andrews, 2001).

Sedimentary phosphate deposits are restricted in their occurrence globally. The model for phosphate deposition requires upwelling, cold phosphate-saturated water depositing phosphate onto the continental shelf where the required narrow pH range is locally present. Co-deposition with carbonate occurs at slightly higher pH

values. Carbonate deposition becomes dominant at higher pH. Post-depositional reworking and replacement of carbonate facies by phosphatic mineralisation is probably an important factor in upgrading phosphorite grades to economic levels.

2.2 Regional geology

The Wonarah phosphate project is situated in the central western Georgina Basin, a large late Proterozoic to early Palaeozoic basin that extends from northwestern Queensland through much of the eastern Northern Territory.

Basement rocks in this part of the Georgina Basin are comprised of Mesoproterozoic sediments and volcanics overlain by the Early Cambrian Peaker Piker Volcanics. A northeast-southwest trending basement high runs through the Wonarah project area.

Overlying Middle Cambrian sediments are divided into two basin-wide sequences.

Sequence One deposited clastics, carbonates, organic shales and minor phosphorites during gradual transgression which was abruptly terminated by rapid regression. In the Wonarah region, basement highs are flanked by onlapping dolomitic rocks equivalent to the Thorntonia Limestone. An erosional unconformity is represented by the development of a karst surface.

Sequence Two deposited shallow clastics, carbonates, grainstones, peritidal phosphorites and phosphatic limestones in a transgressive tract system. At Wonarah dolostone, mudstone and phosphorite of the lower Middle Cambrian Upper Gum Ridge Formation overlie Sequence One rocks and basement highs. This formation contains major phosphorite mineralisation and is equivalent to the Beetle Creek Formation on the eastern Margin of the basin which hosts Phosphate Hill and Lady Annie-D-Tree phosphate deposits. The overlying Wonarah Beds are Middle Cambrian mudstone, siltstone and dolostones.

Silcrete, ferricrete and calcrete regolith are extensively developed and large areas are covered by stabilised aeolian sand.

2.3 Project Geology

2.3.1 Main Zone

Basement in the Main Zone area is a basalt of the Peaker Piker Volcanics. The top of the basalt is extremely weathered and a ferruginous and manganiferous duricrust is developed locally. Some dolomitic rocks of the Thorntonia Limestone equivalent are present above the basalt at the southeastern extremity of the Main Zone. To the east and the south the carbonate rocks are developed extensively.

The overlying phosphate-bearing Upper Gum Ridge Formation is divided into four main units: basal undifferentiated transitional sediments, chert breccia phosphorite, mudstone phosphorite and convolute mudstone.

The Transition Unit is laterally continuous, 4-8 metres thick and comprised of clay-rich mudstone and siltstone with minor phosphorite, dolomite, sandstone and basal epiclastic. The basal Transitional Phosphorite is a laterally discontinuous high grade porcellaneous phosphorite up to 3 metres thick developed throughout the eastern and southern part of the Main Zone.

The Chert Breccia Phosphorite forms a distinctive, laterally continuous horizon, 1-10 metre thick, and comprised of yellow, grey or pink friable to indurated low to high grade phosphorite with abundant dark grey chert. Chert averages 50-60%.

The Mudstone Phosphorite is the main phosphate-bearing unit at Wonarah and is comprised of 1-10 metres of yellow and pink mudstone phosphorite with trace to minor dark grey chert. The mineralogy is dominated by (carbonate)-fluorapatite – $Ca_5(PO_4,CO_3)_3F$

The Convolute Mudstone is a 1-10 metre thick unit of white, light grey and yellow clay-rich variably convolute mudstone with minor siltstone and fine sandstone interbeds. It generally contains minor (<10%) P_2O_5.

The Wonarah Beds overlie the Convolute Mudstone and are comprised of mudstone and siltstone with minor chert, the Hangingwall Mudstone. The Wonarah Beds thicken towards the east and south away from the basement high that defines the western fringe of the Main Zone. Dolomitic units, the Hangingwall Dolostone, are present east and south of the Main Zone.

Regolith is extensively developed throughout the Main Zone with silcrete and ferricrete present in most holes. Low silcrete ridges are prominent features. Colluvial and alluvial deposits are common and extensive stabilised aeolian deposits cover much of the regolith. A map sourced from Lilley, G.L. and Andrews, S.J. 2001 covering the Wonarah Regolith units, is included as Appendix 12.

The phosphatic units thin and peter out towards the basement high which trends in a northeast-southwest direction towards Arruwurra. To the east and south the phosphatic units, although still present with grade and thickness, are too deep to be of economic interest at this time.

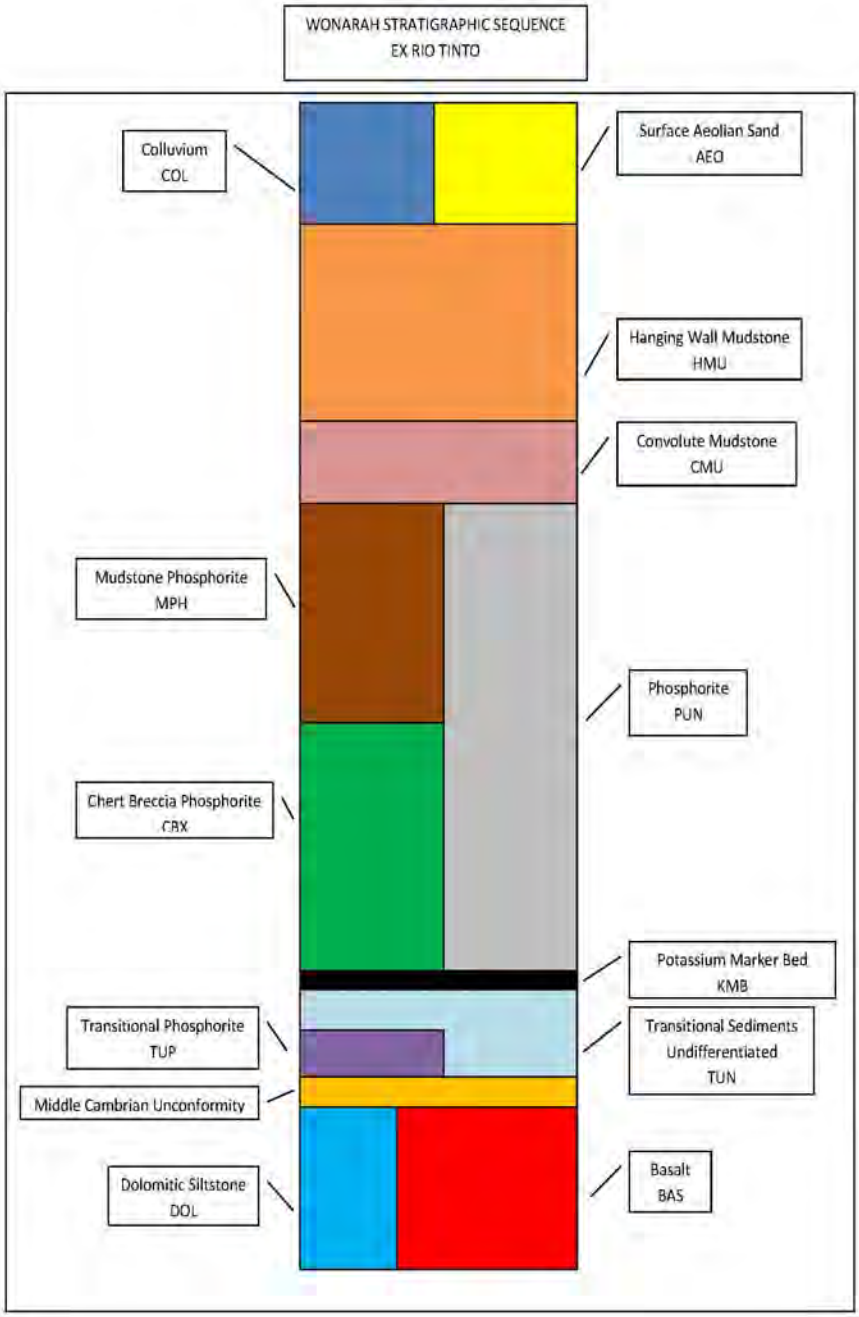

Figure 3: Stratigraphic column of the Wonarah sequence.

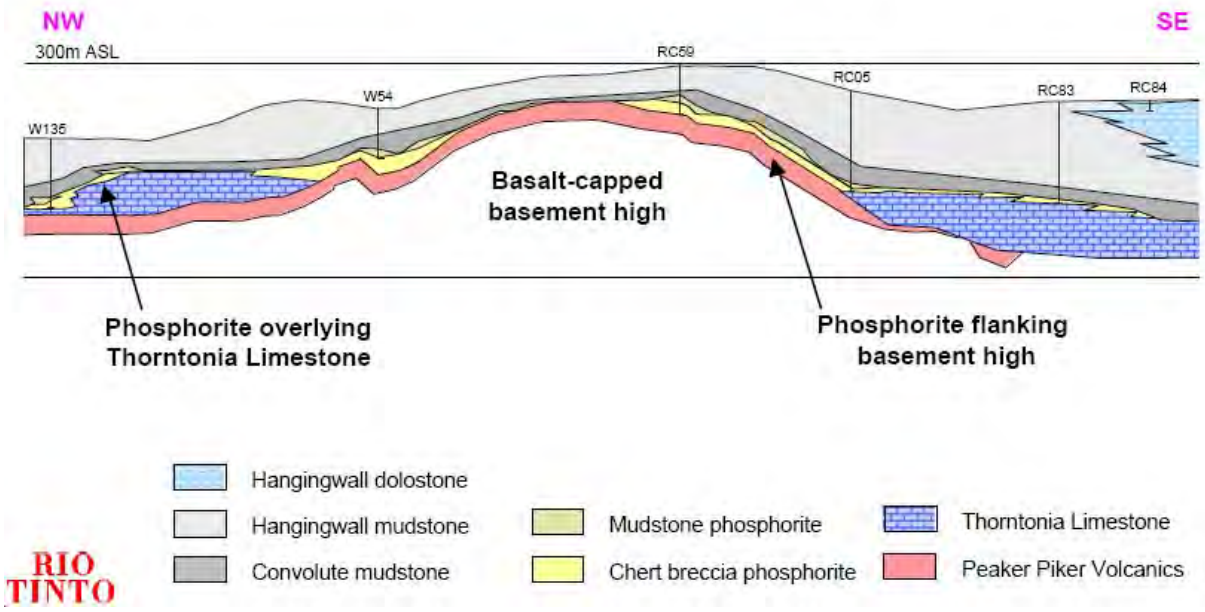

Figure 3b: Schematic section through the Wonarah sequence, modified from Lilley and Andrew, 2001. Drill holes are pre Minemakers Australia.

2.3.2 Arruwurra

At Arruwurra the phosphate mineralisation occupies a broad northeast-southwest trending shelf sloping gently to the southwest. The shelf drops away sharply at the western end and along the southeastern edge. Mineralisation outcrops in the northeast before petering out against the basement high to the north.

Basement at Arruwurra is a basalt of the Peaker Piker Volcanics. Thorntonia Limestone equivalent dolomites and dolostones overlay the basalt along the southeastern and southern margin of the deposit. An abrupt change in lithology and depth to basalt basement indicates a probable fault which has thrown the deposit side upwards. A karst surface is present on the dolomite.

The Upper Gum Ridge Formation at Arruwurra is different to the Main Zone. The Transition Unit is thinner and comprises 1-5 metres of mudstone, siltstone and

phosphorite where developed. An equivalent of the high grade Transitional Phosphorite appears to be locally developed in the north-east part of Arruwurra.

A laterally continuous chert breccia horizon is not present at Arruwurra. There appear to be some chert-rich domains within the deposit but chert is generally sparsely and patchily distributed through the Arruwurra Phosphorite. The Arruwurra Phosphorite is white to yellow-brown in colour and ranges from friable to indurated or porcellaneous. Dark grey chert averages 5 -15%

The Arruwurra Phosphorite is overlain by and, near surface, interdigitates with a limestone carbonate unit in the northeastern part of the deposit area. Outcropping high grade phosphorites occur in this area. To the south-west the Arruwurra Phosphorite is overlain by the Hangingwall Mudstone unit of the Wonarah Beds, which here are comprised of siltstones and mudstones with variable but minor chert. Towards the southwest this unit thickens and becomes patchily but increasingly ferruginous.

Stabilised aeolian sand covers much of the area and is underlain by ferricrete, silcrete, and, above the carbonate unit in the northeast, calcrete and black soil.

3. REVIEW OF PREVIOUS WORK

3.1 Prior ownership

IMC Development Corporation was granted PL 1802 over the Wonarah region on 18th of July 1967 covering a total area of 3309 square miles (8570.31 square kilometres) (CR19680030).
The tenure converted to PA 2161 Wonarah (CR19690022) on renewal on the 12th of December 1968 due to conditions governing the expiry and renewal of prospecting Licenses in NT.

The area was relinquished and declared Ministerial Reserve No 819 by the Northern Territory Government.

EL1084 was granted to ICI Australia Ltd and Australian Fertilizers Ltd on 8th of May 1976 for an area of 410 square miles (1061.9 square kilometres) north and adjacent to the Barkly Highway. The adjacent EL1083, located south of the Barkly Highway, was granted in February 1978 for a total area of 848.5 square kilometres (CR19780059).

The area to the south of the Ministerial Reserve 819 was taken up by CRA Exploration Pty Ltd (CRAE) and EL3571 was granted on 25th of May 1983. The project was abandoned in April 1985.

In September 1997 Rare Earths and Minerals Pty Ltd and Pilbara Chemical Corporation NL applied for four exploration Licenses, covering the Wonarah phosphate deposit and adjacent areas including the former CRAE tenure.

In January 1998 AKD entered into an exclusive option with REM/PCC to acquire the project and subsequently EL 9976 was applied for by AKD Ltd (Australian Kimberley Diamonds N/L, changed to INDO Mines Ltd in 1996) which was granted on 6th February 1998. In March 1999 Rio Tinto Exploration Pty Limited (RTE) entered into a farm-in and joint venture agreement for EL9976 with Indo Mines (AKD N/L). RTE was the manager of this tenement. EL's 22167 and 22168 were applied for by RTE on 31st August 1999 and granted on the 4th August 2000 (CR2001-0280). RTE

withdrew from the joint venture in November 2002 due to a determination that the project was NPV negative.

The underlying land tenure is Arruwurra Aboriginal Corporation NT freehold.

Tenure information was extracted from the Consultant Geologists' report within the Minemakers Prospectus where reports are not cited.

3.2 Historical exploration

During the period of 1967 to 1971 IMC Development Corporation drilled 139 vertical rotary-percussion holes within PA2161, accompanied by mapping of photo patterns and soil types, radiometric traverses, analysis of B.M.R. gravity data and radiometric logging of open water bore holes. The drill pattern was spaced at 1 hole per 5.5 square kilometres with no two holes less than 1.2 km apart (CR2000071). IMC described a common phosphorite association within silt-chert, with the main chert concentration located above the phosphorite, and an extensive but non- DSO Phosphorite was defined using the widely spaced drilling pattern. The phosphorite was located at depths of 17m to 45m and reached a maximum thickness of 18m at the eastern end of the deposit.

Beneficiation studies (CR19690022) were undertaken on 6 samples taken from samples of clayey-siltstone-chert. The study produced a high-grade beneficiated product with an overall BPL recovery of 45-48%. Flotation concentrate of the samples yielded 77.8% BPL, 7.8% Insol, 2.8% total I & A and a CaO/P2O5 ratio of 1.32.

Following completion of the 139 open hole rotary percussion series, (total of 18733 feet or 5709.8m) calculations of the phosphorite were reported in CR19700038 as 669 million short tons (606.8 million tonnes) averaging 15.73% P2O5, calculated at a cut off average at 10% P2O5. A total of 532 million short tons (482.5 million tonnes) , using a cut-off of 14% P2O5 averaging 16.74% P2O5 and 307 million short tons (278.4 million tonnes) averaging 18.98% P2O5 indicated using a cut-off average of

18% p2O5. Restrictions applied included limitation of phosphorite reserves to 2000 feet (609.6m) beyond a drill hole on the margins of the deposit.
IMC's second calculation of reserves was made extending the limit of phosphorite to 4000 feet (1219m) beyond a hole. Calculations were reported as : at 10%, 14% and at 18% P2O5 cut-off reserves were 970 million short tons (879.8 million tonnes) at 15.71% P2O5, 771 million short tons (699.3 million tonnes) at 16.46% P2O5 and 418 million short tons (379.1 million tonnes) at 18.96% P2O5 respectively. Calculations were undertaken using the polygon method, with consideration to the widely spaced drilling. Mining-related limiting factors were not accounted for in the calculations.

At that time, conditions did not allow for an economic deposit.

Between 1976 and 1979, ICI and AFL tenure was marked by problematic re-location of IMC drilling and a rotary percussion drilling program (CR19780059) on the eastern side of the mineralisation, of 10 rotary-percussion holes (9 holes for 514m and a 5m hole abandoned). The program intersected phosphorite at depth, accompanied by drilling difficulties that plagued IMC in the same area. Drilling results indicated a thickening of the phosphorite on the eastern edge of the Wonarah volcanic high and confirmed the depths and phosphate grades, and indicated reasonable continuity of the phosphorite bed over an area of some 6 sq. Km. at overburden ratios of less than 7/1" (CR197800007).
Results from a 1979 metallurgical investigation were not cited.

In 1983-1984 CRAE carried out a low-level aeromagnetic survey, to define the volcanic basement, however internal review of commodity targets and lack of transport infrastructure closed the project in 1985.

In 1992-1993 the area was explored for diamondiferous diatremes based on airborne magnetic and radiometric surveys. A program of loam sampling was undertaken and in 1993 one hole was drilled to test a ground magnetic anomaly, within EL9976, which intersected a thin phosphatic claystone unit overlying mafic volcanic.

In January 2000, Rio Tinto Technical Services conducted a Prefeasibility Study using available data, which identified a "global resource estimate of 1955Mt at 14.4%

P2O5" (CR20000071), at depths ranging from 30 and 50m, with a maximum assayed grade of 28.6%P2O5.

During 2000-2001, RTE drilled three phases of mainly RC holes (120 holes, 6215.5m), minor PAB (2 holes, 130m) and 12 diamond holes for 296.1m core and 368.1m of pre-collar, with accompanied down-hole gamma ray logging. A gravity survey was undertaken to define basement highs, with limited success. The drilling program focused upon ground with no previous drilling and placed a series of closely spaced holes within the well mineralised region in the southern area of the mineralisation identified by IMC, enabling them to define an Inferred Resource.

A 23 sq. Km. resource, that mainly excludes the area drilled by IMC, was delineated within mudstone phosphorite, but did not include the underlying lower grade chert breccia phosphorite, which runs poorer lateral continuity. The inferred mineral resource was reported as 115Mt at 22% P_2O_5 at a cut-off grade of 15%.

Following additional infill drilling, a recalculation and delineation of an inferred resource in December 2001 was reported as 72Mt at 23% P2O5, at a cut-off of 15%. The drill density and pattern was noted as uneven with some holes up to 1800m apart and the author of the resource report advised caution if this category was to be considered in economic studies.

Rio Tinto carried out beneficiation tests to determine the potential of upgrading the Wonarah ore, based upon tests limited to washing and screening. The deleterious elements were reduced but the process failed to give a major increase in grade.

A combination of reduced estimate size and failure to upgrade the mineralisation economically lowered the projects potential and after RTE initiated a reverse economic study, indicating that the project was then NPV negative, withdrew from the joint venture in 2002.

Exploration also included field work on the outcropping phosphorite beds at Arruwurra, where rock chip sampling indicated that the grade was high but of unknown extent. Joint venture exploration activity also included interpretation of

Landsat 5 Thematic Mapping of regolith types, petrological study of core samples and the Arruwurra outcrop and soil sampling.

Historical exploration information was extracted from the Consultant Geologists' report within the Minemakers Prospectus where reports are not cited.

4. WORK COMPLETED DURING THE REPORTING PERIOD

4.1 Geological

4.1.1 Drilling

4.1.1.1 Program one

An RC and diamond drilling program took place between April 7th and 25th August 2008. The purpose of the program was to:

- Infill and extend the RC resource drilling carried out by Rio Tinto in 2000-2001 in the Main Zone, which resulted in an inferred phosphate resource of 72Mt at 23% P2O5.
- To use RC to test shallow phosphate mineralisation at the Arruwurra prospect approximately 15-20 km south west of the Main Zone.
- To recover diamond core for metallurgical studies

RC and diamond logs are presented in Appendices 1 and 3. A drill location plan is presented as Figure 4

RC program

192 reverse circulation holes were drilled for 9886 metres by Well Drilled Pty Ltd from Townsville utilising a truck-mounted Warman Investigator Mk IV drill rig using three metre (RD90) rods. The rig was equipped with sufficient air, 500psi, and a blowdown to ensure clean sample and minimal blockages. The first two holes were drilled using a 3.5" bit. All subsequent holes were drilled with a 4.6" bit. All holes were drilled vertically.

Sample was returned to surface and passed through a cyclone attached to the rig and then each metre was collected in a plastic bag by drilling contractor personnel.

Hole depths ranged from 19 to 79 metres and, apart from some dampness within the Chert Breccia Phosphorite horizon in a couple of holes, all samples were dry.

143 holes were collared in the Main Zone and 49 holes were collared at Arruwurra.

Diamond program

The diamond drilling program was carried out by two contractors, Well Drilled Pty Ltd from Townsville used a Boart Longyear Deltabase 520 track-mounted drill rig and Jerrys Drilling from Dubbo used a truck-mounted RD750.

11 HQ-sized holes were drilled by Well Drilled for 647 metres including 295 metres of pre-collar drilling. Jerrys Drilling drilled 14 PQ-sized holes for 669 metres including 137 metres of pre-collar drilling and 48 metres of HQ-sized drilling.

21 holes were collared in the Main Zone at 8 sites and 4 holes at 2 sites were collared at Arruwurra.

Recoveries were generally good in the hangingwall and footwall but variable through the mineralisation, particularly through the Chert Breccia Phosphorite. WNDD core recovery is included in Appendix 5.

4.1.1.2 Program two

A small diamond core and reverse circulation drilling program took place in December 2008. The purpose of this program was:

- To use RC to define a sub-area of high grade potential Direct Shipping Ore (DSO) at the Arruwurra prospect .
- To recover diamond core for metallurgical studies into potential DSO.

RC program

28 reverse circulation holes were drilled for 614 metres by Tom Browne Drilling from Dubbo utilising a truck-mounted UDR600. All holes were drilled with a 5.5” bit and all holes were drilled vertically.

Sample was returned to surface and passed through a cyclone attached to the rig and then each metre was collected in a plastic bag by drilling contractor personnel.

Hole depths ranged from 18 to 31 metres and all holes were dry.

Geology logs are presented in Appendix 1

Diamond program

The diamond drilling was carried out by Tom Browne Drilling from Dubbo utilising a truck-mounted UDR600. 15 PQ-sized holes were drilled for 674 metres. 5 sites were twinned and 5 sites had one hole drilled.

Recoveries were excellent through the mineralisation for this program (Appendix 5).

The holes were not logged in the reporting period.

Diamond logs and hole locations are included in Appendix 3.

4.1.2 Rock chip sampling

A helicopter reconnaissance visit was made in 2007. Rock chip samples were collected and submitted for analysis. Locations and assay results are presented in Appendix 10.

4.1.3 Sampling procedures

4.1.3.1 RC

A sampling interval was determined for each hole based on geology or the use of a portable XRF unit capable of measuring P, a Niton XLt500. Each bag within the sampling interval was weighed and then put through a three-tiered riffle splitter (1:8 split) to obtain a sample of 1-2 kg weight. If necessary, the bag was split again to ensure that sufficient split sample was obtained.

A duplicate sample was split through the three-tiered riffle splitter at the the rate of approximately 1 per every 24 split samples. An attempt was made to take the duplicate from a mineralised interval as often as possible.

Samples were packed in polyweave bags, loaded on pallets, shrunk-wrapped and despatched by truck weekly or fortnightly to Amdel's Mt Isa sample preparation facility.

Certified reference standards were inserted at the rate of approximately 1 per every 21 split samples. Field blanks were inserted at the rate of 1 per every 22 samples and an attempt was made to insert the blank after a high grade phosphate sample was possible. This was facilitated by the use of a portable XRF unit capable of measuring P, a Niton XLt500, to determine the P content of each metre. Of the 168 blanks submitted only the last 40 had certified P values.

4.1.3.1 Diamond core

For core sampling from program one, the hole with the best recovery was chosen from each of the ten diamond sites. No hole was chosen from site 8 in the Main Zone (WNDD024 and WNDD025) because of very poor recoveries. All core was transported to Optimet Laboratories in Adelaide for sampling. Where sample recoveries were poor, the entire run was sampled as one unit. Sampling consisted of crushing the entire core from the sample interval and splitting a sub-sample for analysis. This method was chosen because a significant part of the core was friable and to enable a more representative analysis than cutting.

4.2 Geochemical

4.2.1 RC

4973 RC samples, including duplicates, blanks and standards were submitted for assay.

Samples were dried at 105-110C then crushed in a Boyd crusher. A nominal 100g sample was rotary split from the bulk then pulverised in a tungsten-carbide mill to minimise iron contamination. A 20g split was taken and the pulp splits were sent to Amdel's Cardiff (NSW) laboratory for analysis. A sub-sample of the analytical pulp was fused with lithium metaborate to form a glass disc which was then analysed by XRF for the following oxides:P_2O_5, Al_2O_3, CaO, K_2O, Total Fe as Fe_2O_3, MgO, MnO, Na_2O, SiO_2, TiO_2 (Lower detection limit of 0.01% for each.) A minimum laboratory repeat rate from the pulp sample of 1 in 20 samples is carried out.

Minemakers submitted check certified reference materials at the rate of one per 21 samples. Six standards were used, which are included in Appendix 7.

Amdel Cardiff is a NATA accredited analytical laboratory – NATA accreditation number 626.

A set of 60 check samples were selected from the mineralised and unmineralised portions of 10 holes from both Arruwurra and the Main Zone. Two sets of pulps were split from the original pulps held at Amdel Mt Isa. One set was sent to ALS in Brisbane and one was sent to Amdel Adelaide.

ALS Brisbane analysed pulps using a fusion ICPAES method (ME-ICP85) for P_2O_5, Al_2O_3, CaO, K_2O, Total Fe as Fe_2O_3, MgO, MnO, Na_2O, SiO_2, TiO_2 and LOI by method ME-GRA05.

ALS Brisbane (Stafford) is a NATA accredited analytical laboratory – NATA accreditation number 825.

Amdel Adelaide analysed the 60 check pulps using a fusion ICPOES method (ICP4) for P_2O_5, Al_2O_3, CaO, K_2O, Total Fe as Fe_2O_3, MgO, MnO, Na_2O, SiO_2.

Amdel Adelaide is a NATA accredited analytical laboratory – NATA accreditation number 1526.

Results are presented in Appendix 2.

4.2.2 Diamond core

A total of 109 core samples were submitted for assay.

Core was prepared for analysis by crushing the spitting as the friable nature of some core intervals precluded cutting with a saw.

Sample preparation was carried out at Optimet Laboratories in Adelaide. Whole core sample intervals were crushed to 12mm then split. A split portion was sent to Amtech in Perth. They used a mixed acid digest (including HF) and finished with ICPAES.

Another portion was sent to Amdel Cardiff for check analyses using the same method as XRF – fusion disc XRF.

Results are presented in Appendix 4.
QAQC results from Amdel Cardiff and ALS Brisbane are included in Appendix 9.

4.3 Geophysical

4.3.1 Radiometrics

All RC samples were measured for radioactivity using a RadEye PRD device. The device measures gamma radiation and the purpose of the exercise was to detect potential high uranium samples and to help with geological logging. Results presented in Appendix 6.

4.3.2 Magnetic susceptibility

All RC samples were measured for magnetic susceptibility as an aid to geological logging using a K9 Kappameter. Results are presented in Appendix 6.

4.3.3 Airborne EM

An airborne EM survey was carried out by Fugro Airborne Surveys Corporation Ontario, in October, with the purpose of providing information that could be used to map the geology and structure of the surveyed area. The survey involved use of a RESOLVE multi-coil, multi-frequency magnetometer. The report, grid files, linework, series of CDI profiles and apparent conductivity, vertical magnetic gradient and residual magnetic field plans are included in Appendix 8.

4.4 Mineralogy

A set of eight samples were sent to Pontifex and Associates in Adelaide for petrological work. Results had not been received at the end of the reporting period.

4.5 Survey

All surveying was carried out using hand-held GPS. This level of accuracy is considered accurate for a 500m grid.

A detailed Lidar survey of the project area has been contracted to Fugro and was due to be carried out in late 2008 but was postponed due to technical issues with the contractor. The survey will be carried out as soon as weather conditions are suitable.

An index plan, delineating boundaries of exploration activities covered in Section 4, is included as Figure 5.

4.6 Metallurgy

All diamond core was transported to Optimet Laboratory in Adelaide for metallurgical studies. Approximately 580kg of mudstone phosphorite, 350kg of chert breccia phosphorite and 250kg of Arruwurra phosphorite material were available for testwork. No reports have been issued relating to metallurgical work within the reporting period.

4.7 Scoping

Minemakers Australia engaged the professional services of Coffey Mining Pty Ltd, Coffey Natural Systems and Lycopodium Engineering Pty Ltd to commence a scoping study into the potential for creating a phosphate mine at Wonarah. The study was terminated in December and a final report is yet to be received. A feasibility study will commence in early 2009.

5. DISCUSSION OF RESULTS

The first drilling program increased the JORC-compliant inferred resource at the Main Zone from 72Mt at 23% P_2O_5 to 330Mt at 18.9% P_2O_5 and established a new JORC-compliant resource at the Arruwurra prospect of 130.8Mt at 18.65Mt P_2O_5. A fully documented resource report is being prepared by Coffey Mining and has not been completed within the current reporting period. Resource statements are provided in Tables 1 and 2.

5.1 Arruwurra

RC drilling at Arruwurra has delineated a new phosphate resource. The resource trends NE-SW and occupies a zone of approximately 4 x 1.5 km. The resource is bounded along the SE edge by a steep drop-off, possibly structural, and along the NW edge by an abrupt disappearance of mineralisation which is probably a depositional control. To the NE the resource shallows and outcrops and is terminated by erosion or the limit of original deposition. The resource is open to the SW where it gradually deepens. The resource occurs from a depth of approximately 25m to near surface. Figures 6a and 6b indicate the distribution of holes with phosphate grades of >25% and > 30% P_2O_5. The close spaced 250m grid drilling in the NE part of the resource represents a sub-area where a potential high grade or “direct shipping ore” (DSO) grade part of the resource occurs. The potential DSO at Arruwurra is a visually distinctive, indurated and texturally complex high grade unit of 25-40% P_2O_5 which sits directly above the basement basalt or dolomite. Thickness of the unit varies from 0.5 to 4m. A second phase drilling program was commenced at Arruwurra in December 2008. Assay results were not available at the end of the reporting period however portable XRF analyses indicated that there is a potential DSO resource. Drilling will continue through February and March to close off the resource and recover core for metallurgy and marketing purposes. Plate 1 shows a comparison between DSO grade or indurated ore and more typical friable phosphorite in hole WNDD026. Representative cross sections are shown in Appendix11.

Figure 6a Wonarah Project Arruwurra holes with >25% P_2O_5

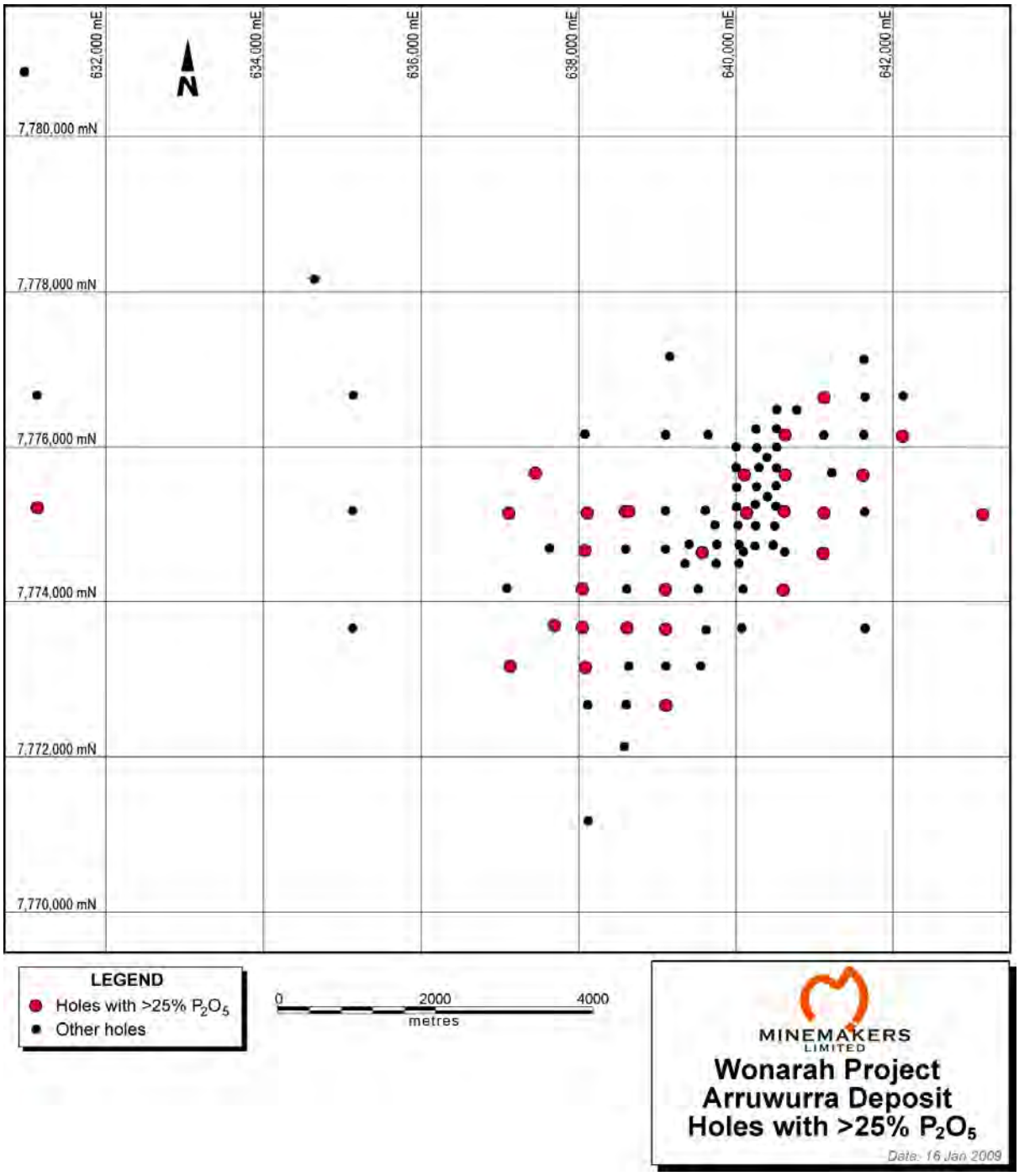

Figure 6b Wonarah Project Arruwurra holes with >30% P_2O_5

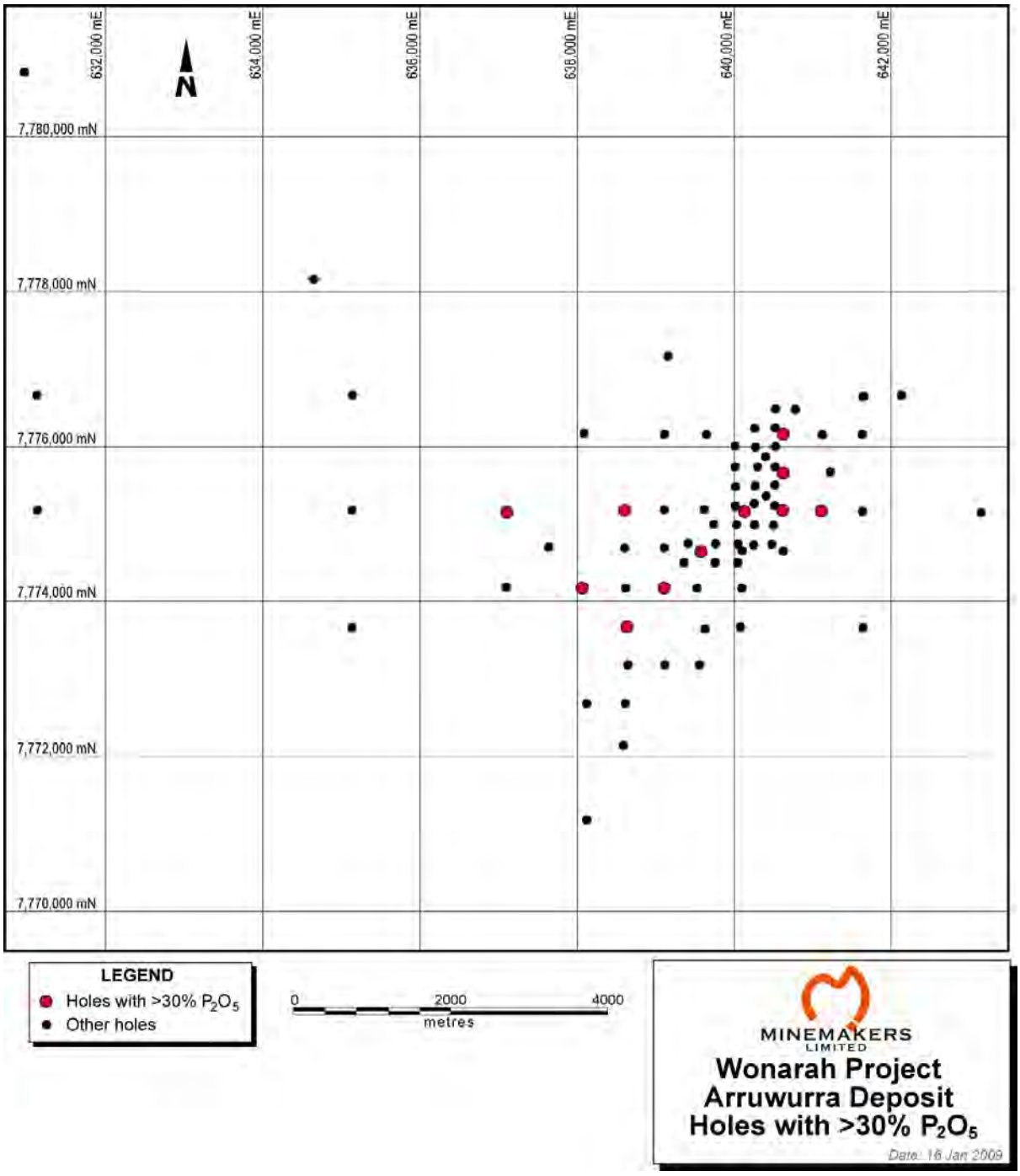

Table 1

Minemakers Pty Ltd
Arruwurra Phosphorite Deposit
Wonarah Phosphate Project

Mineral Resources
Grade Tonnage Table – 10th November 2008

10% P2O5 Mineralisation
Grade Estimates Obtained by Ordinary Kriging
Resource Classification

Resource Category	Tonnes (Mt)	P_2O_5 (%)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	CaO (%)	K_2O (%)	MgO (%)	MnO (%)	Na_2O (%)	TiO_2 (%)	Density (t/m^3)
Above Lower Cutoff Grade 15% P_2O_5												
Inferred	130.8	18.65	2.30	42.47	4.38	26.20	0.48	0.37	0.12	0.04	0.19	1.80
Total	**130.8**	**18.65**	**2.30**	**42.47**	**4.38**	**26.20**	**0.48**	**0.37**	**0.12**	**0.04**	**0.19**	**1.80**

- Phosphate mineralisation is contained within a shallow dipping phosphatic mudstone unit (Arruwurra Phosphorite) that occurs between 10m to 60m below the surface.
- Exploration has been conducted in the area since 1967 using geophysical surveys and various diamond, percussion and reverse circulation drilling programs.
- Adequate quality control procedures have been implemented for data collection by Minemakers Ltd, and were also carried out in previous programs. Coffey Mining considers that appropriate levels of analytical precision and accuracy have been achieved for use in resource estimation.
- A total of 48 drill holes were used in the resource estimate, with 46 of these holes drilled using reverse circulation methods and 2 drilled as diamond core. The holes were drilled on a 500m x 500m grid pattern and 98% of the samples were collected over 1m intervals.
- Statistical analysis was carried out on 1m composites which display a distinct boundary between grade populations at 10% P_2O_5.
- Mineralised domain boundaries for the purpose of constraining grade estimation have been interpreted and modelled based on the geological logging and a 10% P_2O_5 lower cut off grade constraint.
- The mineral resource quoted in this report is based on grade estimates contained in a 3 dimensional block model created with Datamine® Software. Parent block size is 250m x 250m in the horizontal plane and full width of the ore horizon in the vertical plane. The block model contains sub cells down to 31.25m x 31.25m in the horizontal plane for volume definition. Each sub cell has been allocated the grade of the parent cell.
- All grades were interpolated using an Ordinary Kriging algorithm and variogram models based on the 1m composites within the mineralised domain. The block model was validated by visual and statistical comparison. Tonnage calculation was based on limited in situ bulk density measurements obtained from diamond core.
- Further density measurements are recommended to increase the confidence in future estimates. Closer spaced drilling is also recommended to help define internal lithological and high grade boundaries.
- Resource classification was in accordance with guidelines as set out in the JORC Code (2004). The key criteria used in classification were drill density, geological and grade continuity, and quality of grade estimates.

WNDD026

Friable phosphorite

Indurated DSO-grade phosphorite

Plate 1. Phosphorite textures in WNDD026 at Arruwurra.

5.2 Main Zone

The first program was designed to extend and infill the Rio Tinto drilling to create a 500m grid and this work has increased the existing resource substantially. Plans showing holes with >25% and >30% P2O5 are presented in Figures 7a and 7b. Block models showing the distribution of the three discrete mineralised horizons are presented as Figures 8 to10. Representative cross sections are shown in Appendix 11.

The current known distribution of all phosphorite lithologies is summarised below:

- The mineralisation is bounded to the far west by termination of deposition against the basalt high.
- The mineralisation peters out along the south-west corner.
- The mineralisation continues to the south, south-east and east but deepens.
- The mineralisation continues to the north at probably lower grade on the north side of the Barkly Highway
- The hole in the resource in the southern central portion is probably an artefact of insufficient drilling.
- The area west of the northern Main Zone has only been sparsely drilled but is moderate to highly prospective. Hole WNRC135 lies west and just outside of the resource and is one of the highest grade intercepts on the property 7m @ 31.1% P_2O_5.

Mudstone Phosphorite

The Mudstone Phosphorite is the lithology of primary interest, exhibiting the highest grades and thicknesses at shallowest depths. With respect to grade and economic potential, the northern part of the Main Zone (NMZ) and the western end of the dog leg (Western Main Zone or WMZ) have the best grades and thicknesses at shallowest depth. Work to date has indicated the potential for a high grade, indurated, visually distinctive phosphorite (similar to Arruwurra DSO) to occur in the WMZ and NMZ.

The WMZ has the potential to host a narrow 500m by 2000m zone of high grade DSO grade material at depths of 25 to 35 metres. Better intercepts include 9m @

29% P_2O_5 including 7m @ 30% in WNRC047 and in Rio Tinto holes, 6m @ 30% in WON059 and 4m @ 30% in WON057.

The NMZ has the potential to host substantial but discrete zones of DSO grade material within an overall area of approximately 20 km^2. In the NMZ, 17 holes contain at least 2m of >30% 29% P_2O_5. At the current drill spacing it is not possible to delineate discrete high grade DSO resources. An RC drilling program to infill the current 500m grid to 250m will be undertaken in February to April 2009. Concurrent diamond core drilling will take place to recover material for metallury and marketing purposes.

Chert Breccia Phosphorite

The Chert Breccia Phosphorite (CBX) is variable in grade and thickness with the overall grade a simple function of the P_2O_5 content of the matrix and the percentage of unmineralised chert. The matrix grade varies from <10 to >35% P_2O_5 and may be friable or indurated. Beneficiation studies will determine whether seperation of chert from high grade matrix is economic. Chert breccia phosphorite textures are shown in Plate 3.

Transitional Phosphorite

The Transitional Phosphorite (TUP) is not distributed through the resource area. The highest concentration is in the southern Main Zone. Grades vary from 20 to 40% P_2O_5 and thickness from 0.5 to 3m. Although high grade the depth of occurrence and discontinuous distribution would preclude economic mining of the TUP alone. Plate 4 shows high grade TUP above weathered basalt.

Figure 7a Wonarah Project Main Zone holes with >25% P_2O_5

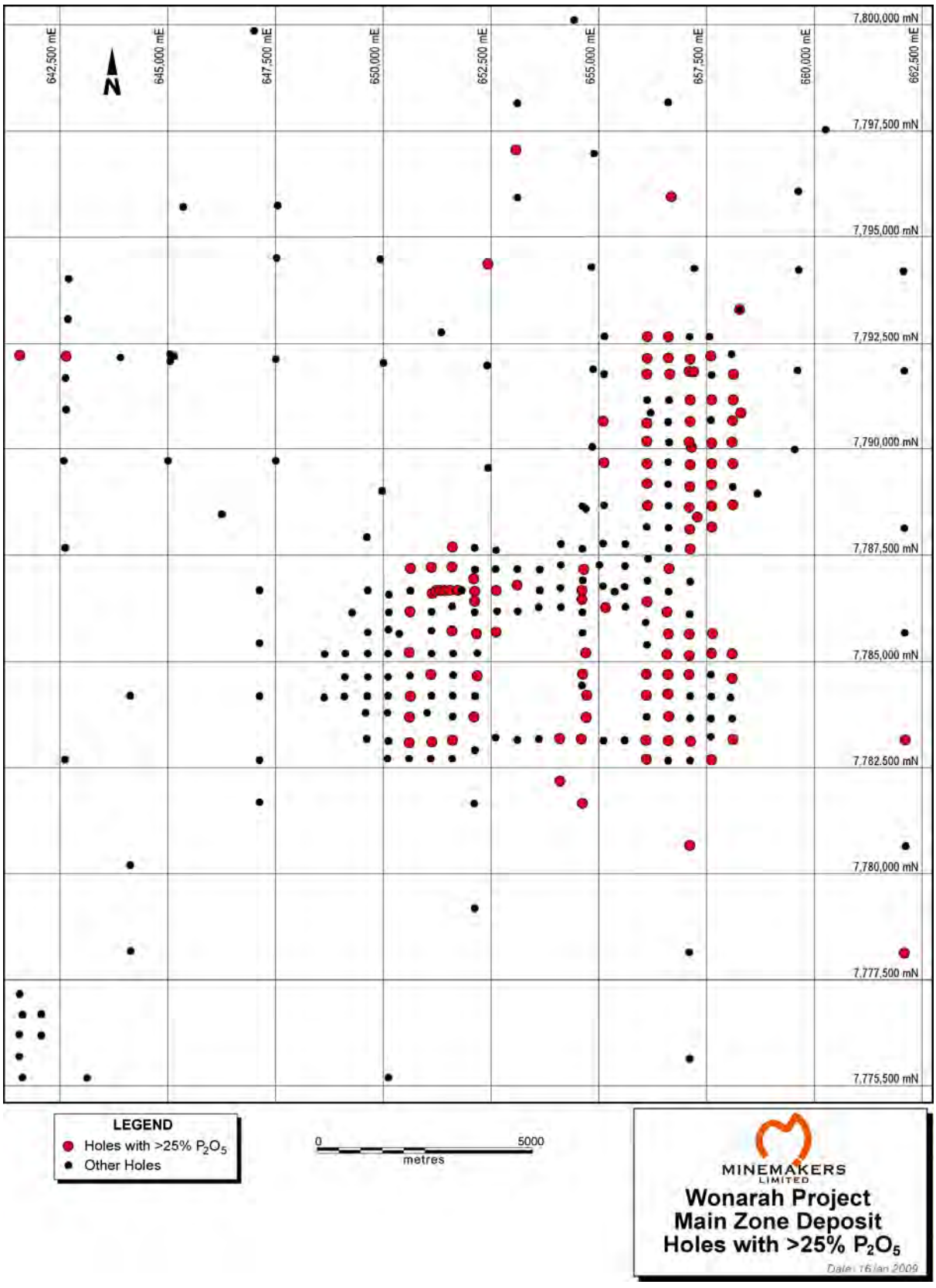

Figure 7b Wonarah Project Main Zone holes with >30% P_2O_5

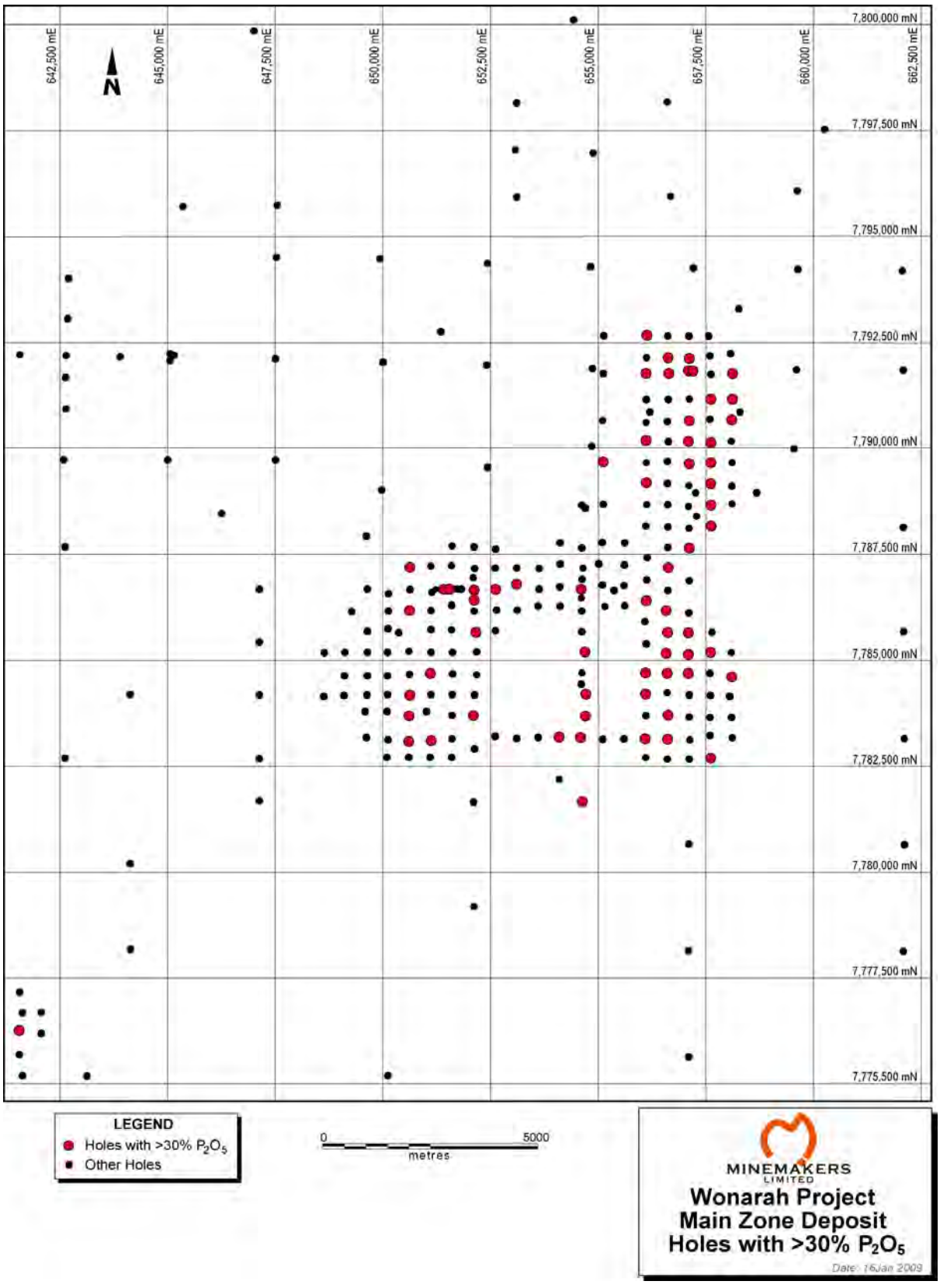

Table 2

Minemakers Pty Ltd
Wonarah Phosphate Project

Mineral Resources
Main Zone Phosphorite Deposit
Grade Tonnage Table – 16th December 2008
Resource Classification
At a Lower Cutoff Grade 15% P_2O_5

Mineralisation Outlined Using a P_2O_5 Lower Cutoff Grade
10% P_2O_5 for Mudstone and Chert Breccia Phosphorite
15% P_2O_5 for Transitional Phosphorite
Grade Estimates Obtained by Ordinary Kriging

Resource Category	Tonnes (Mt)	P_2O_5 (%)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	CaO (%)	K_2O (%)	MgO (%)	MnO (%)	Na_2O (%)	TiO_2 (%)	Density (t/m^3)
Inferred Mineral Resources												
Mudstone Phosphorite	221	19.1	2.22	41.5	6.02	25.3	0.65	0.21	0.052	0.073	0.25	1.80
Chert Breccia Phosphorite	91	17.2	1.37	50.8	3.56	23.2	0.34	0.12	0.056	0.056	0.15	1.80
Transitional Phosphorite	18	25.3	1.47	31.9	3.14	34.2	0.28	0.16	0.085	0.030	0.18	1.80
Total	**330**	**18.9**	**1.94**	**43.5**	**5.18**	**25.2**	**0.55**	**0.18**	**0.055**	**0.066**	**0.22**	**1.80**

- Phosphate mineralisation is contained within 3 shallow dipping phosphatic units (Mudstone Phosphorite, Chert Breccia Phosphorite and Transitional Phosphorite) that occur between 30m to 60m below the surface.
- Exploration has been conducted in the area since 1967 using geophysical surveys and various diamond core, percussion and reverse circulation drilling programs. A total of 201 drill holes were used in the resource estimate, with 194 of these holes drilled using reverse circulation methods and 7 diamond core. The holes were drilled on a nominal 500m x 500m grid pattern with 95% of the samples being collected at 1m intervals.
- Adequate quality control procedures have been implemented for data collection by Minemakers Ltd, and were also carried out in previous programs. Analytical precision and accuracy are at appropriate levels for use in resource estimation.
- Statistical analysis was carried out on 1m composites which display a distinct boundary between grade populations at 10% P_2O_5 for Mudstone Phosphorite and Chert Breccia Phosphorite, and 15% P_2O_5 for transitional Phosphorite.
- Mineralised domain boundaries for the purpose of constraining grade estimation have been interpreted and modelled based on the geological logging and a 10% P_2O_5 lower cut off grade constraint for Mudstone Phosphorite and Chert Breccia Phosphorite, and a 15% P_2O_5 lower cut off grade for transitional Phosphorite.
- A parent block size is 250m x 250m in the horizontal plane and full width of the mineralised horizon in the vertical plane. The block model contains sub cells for volume definition. Datamine® mining software was used in creating the 3 dimensional block model.
- All grade estimates were obtained using an Ordinary Kriging algorithm and variogram models based on the 1m composites within the mineralised domain. Each sub cell has been allocated the grade of the parent cell.
- The block model was validated by visual and statistical comparison. Tonnage calculation was based on limited in situ bulk density measurements obtained from diamond core.
- Further density measurements are recommended to increase the confidence in future estimates. Closer spaced drilling is also recommended to help define internal lithological and high grade extents.
- Resource classification was in accordance with guidelines as set out in the JORC Code (2004). The key criteria used in classification were drill density, geological and grade continuity, and quality of grade estimates.

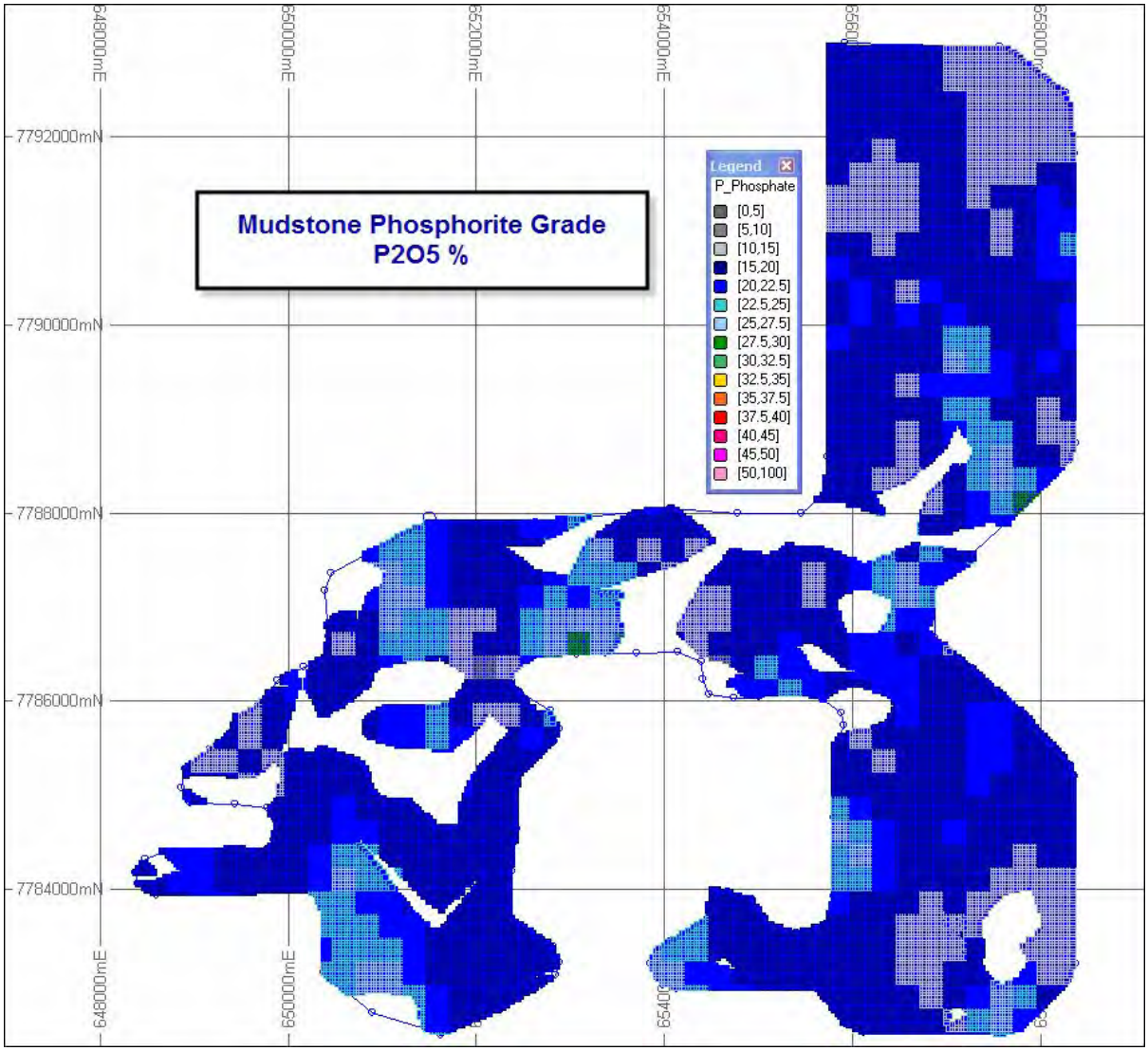

Figure 8. Block model of Mudstone Phosphorite in the Main Zone (from Coffey Mining Pty Ltd).

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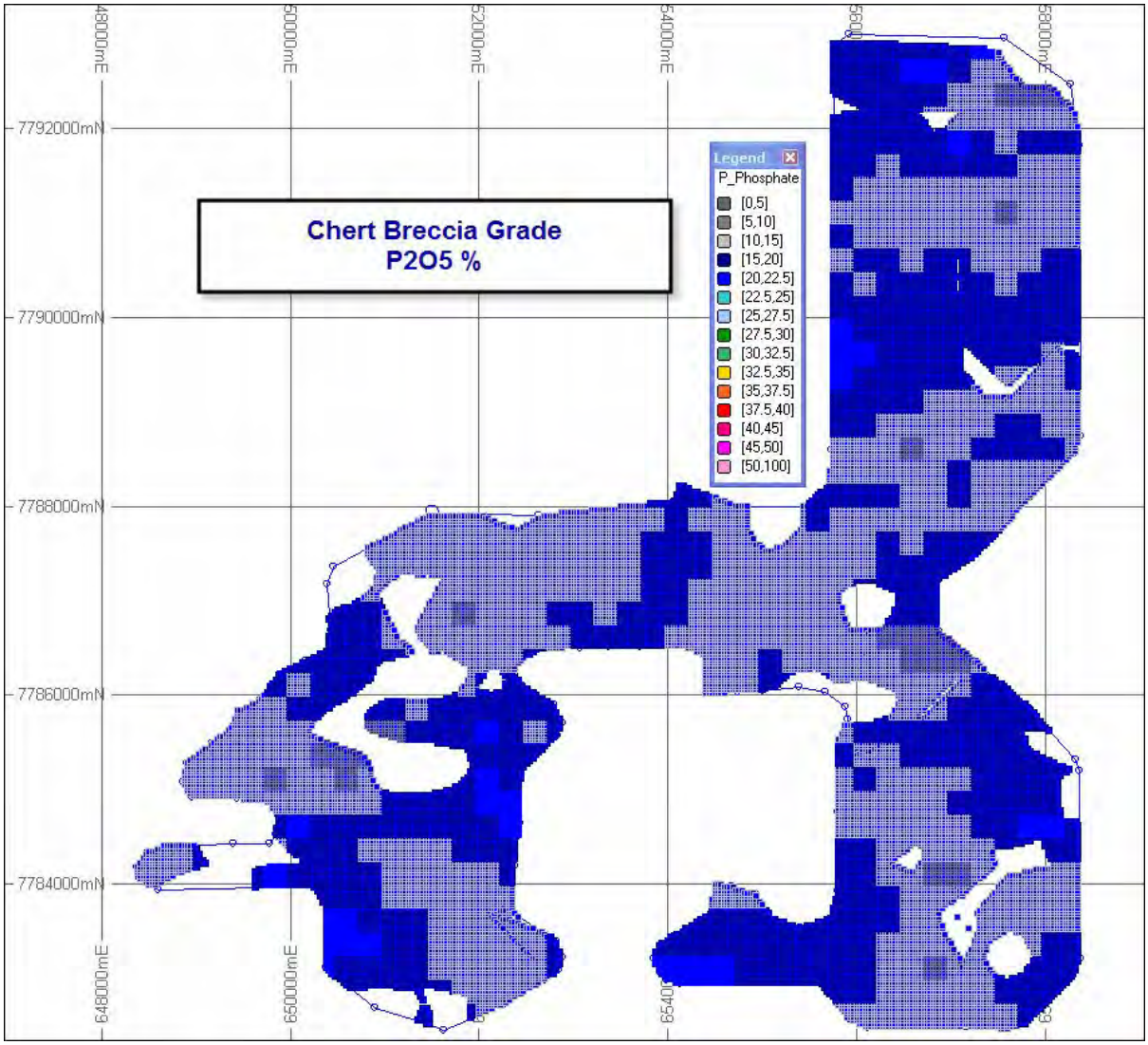

Figure 9. Block model of Chert Breccia Phosphorite in the Main Zone (from Coffey Mining Pty Ltd).

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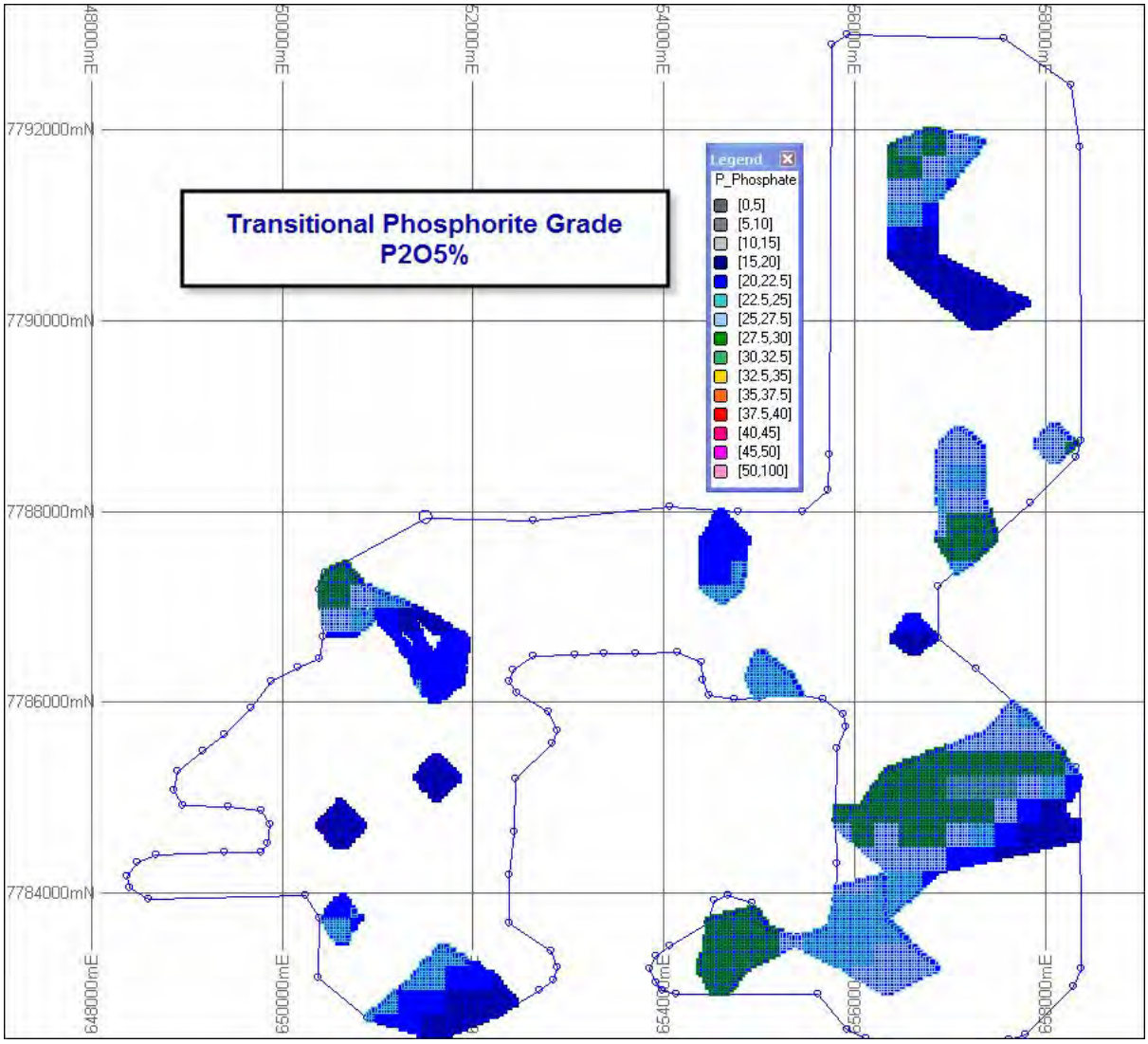

Figure 10. Block model of Transitional Phosphorite in the Main Zone (from Coffey Mining Pty Ltd).

WNDD018
High grade +30% P2O5
Indurated or porcellinous phosphorite

WNDD016
High grade +30% P2O5
Friable phosphorite

Plate 2. Mudstone Phosphorite textures in the Main Zone.

WNDD008
Chert breccia phosphorite
Friable matrix

WNDD012
Chert breccia phosphorite
Indurated matrix

Plate 3. Chert Breccia Phosphorite textures in the Main Zone

WNDD001
Transitional Phosphorite (55.9 to 57.9m) indurated
or porcellaneous phosphorite above weathered basalt

Plate 4. Transitional Phosphorite above weathered basalt in the Main Zone.

Core photos are included in Appendix 14.

6. SUMMARY

Work conducted by Minemakers Australia P/L at its Wonarah Phosphate Project has:

- Included drilling 220 RC holes for 10500 metres
- Included drilling 25 diamond cored holes for 1990 metres including 432 metres of RC/blade/tricone pre-collaring.
- Assayed 4973 RC samples for P_2O_5, Al_2O_3, CaO, K_2O, Total Fe as Fe_2O_3, MgO, MnO, Na_2O, SiO_2, TiO_2
- Assayed 109 core samples for P_2O_5, Al_2O_3, CaO, K_2O, Total Fe as Fe_2O_3, MgO, MnO, Na_2O, SiO_2, TiO_2
- Increased the resource in the Main Zone from 72Mt at 23% to 330Mt at 18.9%
- Established a new resource at the nearby Arruwurra prospect of 131Mt at 18.7%
- Discovered a potential small high grade resource at Arruwurra which may be suitable for a low beneficiation route to market – Direct Shipping Ore.
- Discovered the potential for a significant high grade resource within the northern and western part of the Main Zone that may be amenable to direct shipping or low beneficiation route.
- Commenced environmental base line studies preparatory to mining activities.
- Commenced beneficiation studies.
- Planned significant further drilling programs to increase the levels of confidence in the current inferred resource and to define high grade sub-areas suitable for direct shipping or low beneficiation.
- Commenced and ended a scoping study.
- Commenced mine planning

7. ENVIRONMENT

7.1 Environmental disturbance

Approximately 104 km of drill access tracks were put in during the year. No rehabilitation has been carried out on access tracks to date.

192 RC holes were drilled. Minemakers has commenced rehabilitation of the sites and this work will be carried out through February to April 2009. Holes will be rehabilitated by cutting off and removing casing and foam to a depth of 60 cm, plugging hole with a concrete cap and burying. Plastic bags will be removed from site and RC material will be collected by loader and truck and disposed off in two of the diamond sumps.

10 sumps for diamond drilling were excavated and 8 of these have been rehabilitated. Two sumps were left for disposal of RC material. All diamond core has been removed from site.

7.2 Environmental studies

A preliminary base line environmental study was commenced in June 2008. The study is being carried out by Low Ecological Services from Alice Springs. A preliminary report is attached at Appendix 13.

8. REFERENCES

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Lilley, G.L. 2002. Partial Relinquishment Report for the period ending 2nd July 2002 for EL22167 Wonarah 5 and EL22168 Wonarah 6, Frew River SF53-03, Avon Downs SE53-04, Northern Territory. Report No. 25614. Rio Tinto Exploration Pty. Limited.

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